

NEWS

THE OFFICE OF
STATE TREASURER
DENISE L. NAPPIER



THE OFFICE OF
STATE COMPTROLLER
KEVIN LEMBO



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Treasurer Denise L. Nappier and Comptroller Kevin Lembo Modernize Payment Delivery System For State Grants and Loans

HARTFORD -- State Treasurer Denise L. Nappier and State Comptroller Kevin Lembo today announced the successful conversion of the payment and delivery system for State grants and loans to a more efficient paperless computerized process.

Almost \$700 million in annual payments from State bonds to nearly 300 cities, towns, school districts and nonprofits will now be delivered via Automated Clearing House (ACH), commonly used for direct deposit banking. The ACH system closes out the State's 25-year-old Tax Exempt Proceeds Fund (TEPF) and establishes a more secure cost-saving payment method. The new system also eliminates the need for hundreds of TEPF checking accounts that were overseen by Treasurer Nappier's office.

"For the same reasons why many people choose to do their home banking by Internet, these enhancements will save time, money and effort for all involved," Treasurer Nappier said. "We in state government must strive to find efficiencies wherever we can, and this new system is a good example of just that."

Comptroller Lembo's office processes approximately 500,000 payments every year to grant and loan recipients, State agencies and thousands of vendors. While some payments are still processed by check, Lembo's office has successfully converted 2,100 payment recipients to the electronic system through an ongoing initiative.

"Our effort is continuing aggressively as we convert thousands more vendors and others to this electronic system -- achieving even greater state savings," Lembo said.

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“There are endless ways to save resources in state government and we will pursue every measure possible.”

This new payment delivery system will also allow grant and loan recipients and vendors Internet access to view current and previous payment information, outstanding invoices and other financial information. In addition, the conversion will save the State money by eliminating the third-party fund administrator, reducing costs of labor and bank charges for wire payments, and other costs associated with lost checks.

Payments of State bond-funded grants and loans have been processed through the ACH system since December 1, 2011. As part of the transition, all TEPF accounts were liquidated as of December 30, 2011.

Every one of the State’s 169 towns and cities has signed on to the new system.

Treasurer Nappier and Comptroller Lembo attributed the success of this initiative to the collaboration between their offices, the Office of Policy and Management, the Office of the Attorney General, and the various agencies that administer bond-funded programs throughout the State.

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